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BUSINESS

NORTH CAROLINA

DAILY DIGEST

10/19/17

I was visiting my uncle in Santa Fe on Oct. 19, 1987, shopping at a dime store, where I heard a guy on the radio say the Dow Jones Industrial Average had dropped 500 points, or 23%. Did you just hear that, I asked the clerk, a hip New Mexican who showed zero interest. I checked my cellphone and then CNBC — oops, we didn't have cellphones or CNBC or Bloomberg News in October 1987 — but I somehow confirmed that the radio report was accurate. My main memory was thinking that if the world was ending, Santa Fe was a great place to be. Thirty years later, the Dow has ebbed, flowed, but mostly flowed, and trades at a record today. Once reserved for a thin slice of the public, the market is much more democratic today with virtually everyone with a job invested in 401Ks, mutual funds, ETFs, if not individual stocks. A *Business North Carolina* story in 1988 noted that First Presbyterian Church of Greensboro had its stewardship Sunday six days after Black Monday and Pastor Joe Mullins urged congregants to not let the market swoon affect their giving. Bet that didn't go over too well, though it now seems like sound advice.

Dave

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Benchmark Litigation names Brooks Pierce
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Gayle force

The Winston-Salem Chamber of Commerce just hired its first new president in 21 years. Mark Owens, 32, is succeeding Gayle Anderson, who has had the job since 1996. She's experienced a dramatic changing of the guard with the diminished influence of the town's formerly dominant employers, R.J. Reynolds Tobacco Co., and Wachovia Corp. Fortunately, BB&T, Wake Forest University, Hanesbrands, Winston-Salem State University and others have helped fill the void and Winston-Salem is among our state's jewels with strong business, medical and higher ed communities and a creative, inviting downtown. The Winston chamber shares influence with the Winston-Salem Alliance, a behind-the-scenes economic development group led since 2000 by **Allen Joines**, who has been mayor since 2001. Owens, 32, has never worked outside of South Carolina. We hope he has a long, successful stay in Winston-Salem. Read more about him [here](#).

Today's number: 14%

Average increase in premiums approved for Blue Cross and Blue Shield of North Carolina health plans purchased through the Affordable Care Act. The state's dominant insurer had **sought a 23% increase**. It is the smallest increase since the program started. About 502,000 are insured through the ACA in North Carolina.

Greensboro losing an icon

Donald Trump recently visited Greensboro to raise money at a reception thrown by Louis DeJoy and maybe it's time for a return trip. International Textile Group's plan to **shut the historic** White Oak plant at year's end will cut 200 jobs and deliver a blow to Greensboro

because of the mill's historic importance. **ITG** was owned for years by Wilbur Ross, Trump's Commerce Secretary, who rescued Cone Mills and Burlington Mills in 2003-04. But Ross sold the business to Los Angeles private-equity group Platinum Equity for \$99 million last year. Wouldn't it be fun to see Trump and Ross pressure Platinum CEO **Tom Gores** to keep the Greensboro plant open instead of moving production to China or Mexico, where ITG has plants? He's done it to Carrier, Ford and others, so why not ITG? Gores, with an estimated net worth of \$3.7 billion, owns the Detroit Pistons and last year bought a **Los Angeles home** for \$100 million. Ross' **wealth** is also counted in billions.

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AROUND THE STATE

The looms will fall silent in 'Jeansboro'

(Greensboro News & Record)

Cone Denim will close its last Greensboro plant at the end of the year. The Cone Denim White Oak Plant has operated for 112 years, was once the largest of its kind, and a cornerstone of Greensboro's economy, providing jobs for more than 2,500 workers at its height. In recent years, the plant had shifted to making small batches of high-end jeans for

recent years have significantly reduced order volume at the facility." Two hundred workers will lose their jobs when the White Oak Plant closes. "It's a gut punch, but not unexpected," Greensboro Mayor Nancy Vaughn tells the News & Record.

North Carolina cities scramble for Amazon HQ2

(Charlotte Business Journal)

The Research Triangle Park Partnership has shipped its 32-pound proposal to Amazon.com, and business luminaries from Hugh McColl to Michael Jordan have made the case for Charlotte. The Charlotte Regional Partnership prepared a custom-made wooden box for a proposal including 22 sites in the area. North Carolina's two biggest metropolitan areas, along with other cities around the nation, are in the hunt for Amazon's HQ2. The deadline the company set for proposals is today, and the payoff for winning the company's second North American headquarters could be huge—50,000 jobs and \$5 billion in investment huge. That's worth pulling out all the stops to get.

Blue Cross rate increases approved for ACA patients

(Triangle Business Journal)

Rates will go up for North Carolinians buying health insurance from Blue Cross and Blue Shield of North Carolina through Obamacare exchanges. The N.C. Department of Insurance approved the insurer's request for an 14.1% increase for plans sold through the exchanges. BCBSNC is the only insurer that sells such plans in all the state's 100 counties. Blue Cross insures about 500,000, 90% of whom qualify for federal subsidies through the exchanges.

Settlement could end legal battle involving a Charlotte ex-mayor and a former N.C. Governor

(Charlotte Observer)

A settlement has been reached in legal battles defunct Charlotte bus company DesignLine ensnared former Charlotte Mayor and U.S. Secretary of Transportation Anthony Foxx, ex-Gov. Jim Martin and retired Air Force Gen. Buster Glosson. The battles arose from the failure of DesignLine, which Glosson and his son, Brad, bought in 2006. The company filed for bankruptcy in 2013, hitting investors and leading to layoffs. A lawsuit alleged Foxx did little work as a past counsel for the company; a complaint claimed the Glossons committed fraud; and a suit accused former directors including Martin of breach of fiduciary duties.

liquidation, requires defendants to pay \$8.25 million to the bankruptcy estate. All but \$125,000 will be paid by insurers.

Cardinal Innovations Healthcare slashes CEO pay following audits

(WFAE)

Cardinal Innovations Healthcare's board cut CEO Richard Topping's salary by more than \$400,000 following audits that he'd been earning more than state law allowed. After a four-hour, closed-door meeting, the board cut Topping's pay to \$617,526 from \$204,195. Cardinal is a Local Management Entity/ Managed Care Organization (LME/MCO), a not-for-profit company. The state uses it and six other companies like it in North Carolina to outsource mental health care, addiction treatment, developmental programs paid for by Medicaid.

BB&T plans closure of 140 branches

(Bristol Herald Courier)

BB&T plans to shutter 140 branches, a reflection of shifting customer behavior. The company announced the closures of 6.4% of its branches last month in an investor meeting. The bank, with 2,100 branches, has the sixth-highest number of locations in the country. BB&T is the 12th-largest U.S. bank by deposits.

Son succeeds father as Well Care CEO

(WilmingtonBiz)

Zach Long will take over as CEO of Well Care, which provides services in several Eastern North Carolina cities including Raleigh and Wilmington. Long succeeds his father, Wayne, who founded the company in 1987. Wayne Long died Sept. 15. Zach Long said, "Stepping into the CEO role is a humbling opportunity for me to continue Wayne's legacy and vision of delivering exceptional patient care, outcomes and experience. We will continue our focus on innovation and high standards to better serve our patients' needs."

Will Atlantic Coast Pipeline bring manufacturers to Eastern N.C.?

(Triangle Business Journal)

Norris Tolson, CEO of economic development agency Carolinas Gateway Partnership, says two, "very large" clients are considering Eastern North Carolina locations for factories.

through Virginia and Eastern North Carolina, could be key to luring those manufacturers. Tolson didn't name the manufacturers. The pipeline---proposed by Duke Energy and Dominion Energy---has won approval, but must also get permission from the state to start work.



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